

From: [REDACTED] (USANYS) [Contractor]" <[REDACTED]>
To: [REDACTED] (USANYS)" <[REDACTED]>
Subject: RE: SDNY News Clips, Wednesday, February 12, 2020
Date: Tue, 18 Feb 2020 15:47:56 +0000

These are the paragraphs from the complaint that are the most specific allegations of complicity of the trustees:

17. Epstein maintained a deliberately complex web of Virgin Islands corporations, limited liability companies, foundations, and other entities, not all of which are yet known to the Government of the Virgin Islands, through which he carried out and concealed his criminal conduct.

18. Epstein regularly created new entities in the territory and transferred properties and funds between them in order to preserve and shield Epstein's assets and to facilitate and conceal the unlawful acts described in this Complaint

90. The Estate continues to engage in a course of conduct aimed at concealing the criminal activities of the Epstein Enterprise. On November 24, 2019, Epstein's Estate filed an Expedited Motion for Establishment of a Voluntary Claims Resolution Program in the Superior Court of the Virgin Islands. ("Motion"). According to the Motion, the proposed program was to be designed to "establish an independent and voluntary claims resolution program for purposes of resolving sexual abuse claims against Jeffrey E. Epstein." (Motion, at 1).

91. The program proposed by the Estate, whose executors are trustees of The 1953 Trust and officers in at least two Epstein entities, imposes confidentiality requirements and requires any claimant accepting an award under the program to sacrifice any other claims against "any person or entity arising from or related to Mr. Epstein's conduct." (Motion, at 5). It acts to conceal the criminal activities of the Epstein Enterprise and shield its participants from liability and accountability for the injury they caused to the victims.

92. Two days before his death, Epstein amended The Trust and his Last Will and Testament. Upon information and belief, he did so, as part of a pattern and ongoing effort to conceal and shield his assets from potential recovery by claimants.

100. After Epstein's suicide, the Epstein Enterprise continued to exist as each of the participants continued to conspire to prevent detection of the breadth and scope of the Epstein Enterprise's criminal wrongdoing and to prevent accountability. These conspiratorial acts are ongoing.

E. The Epstein Enterprise Used Corporate Entities to Defraud the Government and Fund its Criminal Activities

[note: Indyke and Kahn are Treasurer and Secretary of Sun Trust Company]

104. In October 2012, the Southern Trust Company applied for economic benefits from the Economic Development Commission ("EDC"). The EDC is a subsidiary of the Virgin Islands Economic Development Authority ("EDA"), a semi-autonomous governmental instrumentality created and governed pursuant to 29 VIC § 1101.

105. In sworn testimony at a public hearing on the tax incentive application conducted by the EDC on November 15, 2012, Epstein and his attorney, Ericka Kellerhals, described

Southern Trust Company as providing "cutting edge consulting services" in the area of "biomedical and financial informatics."

106. The EDC granted Southern Trust Company a 10-year package of economic incentives running from February 1, 2013 until January 31, 2023 that included a 90% exemption from income taxes and 100% exemptions from gross receipts, excise, and withholding taxes in the Virgin Islands.

107. Between 2013 and 2019, Southern Trust Company employed 13 different individuals (not including Epstein). Of those 13 individuals, 11 served in administrative or support roles: six as personal, administrative, or executive assistants, receptionists, or as a driver/helper, one as an office manager, one as a clerk, and three in accounting or payroll functions (though only one was licensed as a certified public accountant). There was one network administrator/IT manager, and a second who was added in 2019.

108. In fact, several of those individuals seemed to perform other personal services for Jeffrey Epstein. Though he was reported by Southern Trust Company to be resident of the Virgin Islands, the network administrator/IT manager was issued a Florida driver's license, which listed an address in Miami. Further, he appears, in fact, to have served as Epstein's driver and picked up luggage and cargo from Epstein's private planes on his behalf.

109. Another executive assistant lived at 301 E. 66th Street, Apartment 11B, New York, New York. Epstein's address book lists units various units in this building as providing "Apt. for models" and she is publicly identified as a model. As noted above, the Epstein Enterprise used modeling opportunities and contracts as a pretext for recruiting underage girls and young women into its sex trafficking scheme.

110. During several time periods, Southern Trust Company affirmed to EDC that it had no employees who were non-residents, even though it employed non-residents.

111. Despite having only one full-time employee working on information technology during the bulk of the period, Southern Trust Company reportedly generated net income of \$50.3 million in 2013, \$67.5 million in 2014, \$52.8 million in 2015, and \$4.8 million in 2016 and \$17.1 million in 2017, with aggregate income of \$117.8 million in 2014, \$170.6 million in 2015, \$175.3 million in 2016 and \$192.4 million in 2017, or aggregate income for the period of \$656 million.

112. For the period between January 1, 2013 and December 31, 2017, Southern Trust Company received tax exemptions totaling \$73.6 million.

114. Based upon these facts, it is clear that Southern Trust Company did not perform the "informatics" business represented to the EDC and could not have generated the business income attributable to that business. Instead, upon information and belief, Southern Trust Company existed to secure tax benefits for Epstein, to employ individuals associated with the Epstein Enterprise, and to provide a source of income to support his criminal activities and properties in the Virgin Islands.

From [REDACTED] (USANYS) <[REDACTED]>
Sent: Thursday, February 13, 2020 6:12 PM
To: [REDACTED] (USANYS) [Contractor] <[REDACTED]>
Subject: FW: SDNY News Clips, Wednesday, February 12, 2020

[REDACTED]
Pls look for allegations regarding complicity of trustees.

Many thanks

From: [REDACTED] (USANYS) [REDACTED]
Sent: Thursday, February 13, 2020 2:48 PM
To: [REDACTED] (USANYS) <[REDACTED]>
Subject: Re: SDNY News Clips, Wednesday, February 12, 2020

The Guardian article may be referring to the document at the following link (I'm out of the office, and thus having trouble attaching a pdf):

<https://www.vicourts.org/common/pages/DisplayFile.aspx?itemId=16458531>

I believe [REDACTED] is aware of this complaint, based on our prior conversations. Is there anyone else to whom I should send it?

On Feb 13, 2020, at 9:53 AM, [REDACTED] (USANYS) <[REDACTED]> wrote:

Would you please send around the [REDACTED]'s filing accusing the executors of complicity?

Last month, George brought charges against Epstein's estate and alleged that his lawyers, Darren Indyke and Richard Kahn, may have been part of Epstein's alleged fraud. George also put claims on Epstein's two islands.

Thanks.

Epstein's lawyers in dispute with Virgin Islands over settlements with victims

The Guardian
By Edward Helmore
2/12/2020

Efforts to settle sex abuse claims against Jeffrey Epstein's estate are being thwarted by the attorney general of the US Virgin Islands, lawyers for the disgraced late financier have claimed in court.

The dispute arises from efforts by the territory's attorney general, Denise George, to claim that Epstein, who owned two islands in the Virgin Islands and where monetary claims on his estate are focused, fraudulently obtained benefits related to a banking licence as part of his alleged criminal enterprise.

In court documents, **George said she planned to name the disgraced financier's lawyers as co-defendants and fight his estate's involvement in creating a victims' compensation fund.**

In July last year, Epstein was arrested on fresh federal sex trafficking and conspiracy charges. He had previously pleaded guilty in 2008 to a Florida state prostitution charge and completed a 13-month jail sentence. Epstein pleaded not guilty to the new allegations but died by suicide in a New York jail cell in August.

His death has triggered a wide-ranging investigation into his associates and members of his powerful social circle and also many victim claims for compensation.

Bennet Moskowitz, who is representing Epstein's estate, claimed that liens against the estate have left him unable to release money from Epstein's \$570m fortune to a victim's compensation fund.

"The attorney general for the Virgin Islands has decided for whatever reason to impede the program," Moskowitz said at the hearing in Manhattan federal court.

But George countered that claim, saying she was in fact looking out for victims who may yet come forward.

"The attorney general's office has opposed the approval of the fund as currently proposed because it lacks fairness, accountability, impartiality and sensitivity to victims at a level they deserve," George said in the statement.

"Further, victims who have not yet come forward or who may not wish to use the fund must be supported and protected, with funds for counseling and for their claims, too," she said, adding: "There must be full accountability, not only of the estate, but those who participated in, facilitated, and covered up Epstein's crimes."

Last month, George brought charges against Epstein's estate and alleged that his lawyers, Darren Indyke and Richard Kahn, may have been part of Epstein's alleged fraud. George also put claims on Epstein's two islands.

Epstein named Indyke and Kahn as his executors to a will he modified so that it would be executed in the Caribbean territory two days before he was found dead in a Manhattan jail cell on 10 August.

In November, it was reported that Epstein's estate had asked the courts to allow a voluntary resolution program for the late sex offender's accusers overseen by Ken Feinberg, the settlement's expert who oversaw claims from victims of the 9/11 terrorist attacks, the Catholic church's sex abuse scandals, and the BP-Blue Water Horizon oil spill.

But lawyers for several victims have argued that a victims fund would maintain the shroud of secrecy over Epstein's alleged crimes and prevent the release of any new information while minimizing the threat of large jury awards from individual legal actions.

<02-12-2020.pdf>